



# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS  
Washington, D.C. 20240

IN REPLY REFER TO:

Office of Tribal Services  
Self-Determination

APR - 7 2000

## Memorandum

To: Regional Directors  
Director, Office of Self-Governance  
Central Office Directors  
Attention: Contract Officers, Awarding Officials, Finance Officers

From: Deputy Commissioner of Indian Affairs *Adrian M. M...*

Subject: Policy - Calculation of Contract Support Funds (CSF) For Pub. L. 93-638  
Contracts

The purpose of this memorandum is to reiterate the Bureau of Indian Affairs' (BIA) policy and procedures for calculating the amount of CSF to be added to contracted programs under the authority of Pub. L. 93-638. We are particularly concerned that carryover funds under contract are treated the same as current year appropriations under contract. Consequently, in order to insure uniform treatment of such funds it is essential that all BIA personnel responsible for calculating and requesting CSF from the Central Office immediately implement the following procedures:

1. Use the most current indirect cost rate, indirect cost rate proposal or lump sum agreement when determining current year CSF funding requirements. (See annual Federal Register Announcement for guidelines on appropriate rate, current proposal or agreement)
2. When applying the rate, proposed rate or lump sum agreement determine whether there are any carryover funds included in the amount to be contracted in the current year. Remember all contract program funds are eligible to receive CSF at the current rate, proposed rate or lump sum agreement. As you know, contract funds administered by contractors with rates or lump sum agreements contain in their carryover amounts CSF which were added to the contract during the previous year.

(The amount of CSF carryover can be determined by applying the previous year's rate percentage against the total amount carried over to the current year. For example, a contractor had a 10% rate in FY 1999 to be applied to \$1,000,000, which would result in a CSF payment \$100,000 if paid at 100% of the rate. However, the BIA paid 90% of

the 10% rate or \$90,000, which was added to the \$1,000,000 for a total contract(s) amount of \$1,090,000 in FY 1999. The tribe did not spend the total \$1,090,000 and carriedover \$100,000 into FY 2000. Since the BIA paid 90% of the 10% rate in FY 1999 the carryover amount is direct program funds = \$91,000 and CSF = \$9,000, totaling \$100,000.)

3. If the rate remains the same in FY 2000 as the previously used rate (10%) you should subtract the entire carryover amount from the total combined carryover and current year (FY 2000) funds and apply the current indirect cost rate to the new (current year) funding only and report the results of this calculation as the amount requested. Since the carryover funds already include FY 1999 CSF at 10% which is the same as the FY 2000 indirect cost rate, no further calculation is necessary.

5. If the rate in FY 2000 is changed from the previously used rate you must take steps to insure that the current rate is applied to the carryover funds as well as the FY 2000 funds. As an example, if the tribe has a higher rate (15% in FY 2000 instead of 10%) the carryover funds should receive an additional 5% to bring CSF from 10% to 15% and insure that all contracted (current and carryover) program funds are paid at the current year rate. If the contractor has a lower (5%) rate in FY 2000 you should apply that rate to the carryover amount and report any resulting excess funds available to the Central Office.

Regional Directors are hereby instructed to distribute this memorandum to all appropriate personnel under their jurisdiction, including Agency Superintendents, as soon as possible. Any questions regarding the contents of this memorandum should be directed to Jim Thomas, (202) 208-5727.